

Oak Run
Property Owners Association



Bylaws
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BYLAWS

ARTICLE 1
DEFINITIONS

The following terms as used in these bylaws are defined as follows:

A. "ASSOCIATION" means "Oak Run Property Owners Association, Inc.", an Association composed of owners of properties at Oak Run, a recreational community developed by American Central Corporation, as the same may be shown on maps therefore recorded from time to time in the Recorder's Office of Knox County Illinois.

B. "BOARD" means the Board of Directors of the Association.

C. "BYLAWS" means the Bylaws of the Association.

D. "COMMON PROPERTIES" means and refers to those areas of land shown on any recorded subdivision plat, including any building(s) or other improvements thereon, and also including any so designated properties subsequently acquired by the Association. Common properties are intended to be devoted to the common use and enjoyment by members of the Association.

E. "DEVELOPMENT" means Oak Run, a recreational community, developed by American Central Corporation, as the same may be shown on maps thereof recorded from time to time.

F. "DEVELOPER" means American Central Corporation, or any successor or assign of American Central Corporation which purchases lots from American Central Corporation for the purpose of engaging in the business of sale or resale of such lots.

G. "LOT" means any parcel within the development as the same may be shown by lot number or tract number on maps thereof recorded from time to time.

H. "MEMBER" shall mean all those owners who are members of the Association as provided in Article III here of.

I. "OWNER" means and refers to any person who purchases or otherwise acquires title to any lot including purchases under land contracts entitling such person to the use of and occupancy of such lot.

J. "REGULATION" means the rules and regulations adopted and published from time to time by the Board of Directors.

K. "RESTRICTIVE COVENANTS" means the Declarations of Restrictive Covenants imposed upon the development, as duly recorded in the Recorder's Office of Knox County, Illinois, as amended from time to time, and applicable as restrictions upon title to all properties within or without the development.

L. **"USER"** means the person or persons making use of any lot. A lot shall be considered as having a single user if the owner of the lot is either:

- (A) An individual
- (B) Husband and wife, or
- (C) Unmarried children under 19 years of age, of the voting member who have the same principal residence as the member, and
- (D) Unmarried, dependent children up to and including 23 years of age, who are full-time students at an accredited educational institution. A lot shall be considered to have more than one user for every person who is listed as an owner.

ARTICLE II
ASSOCIATION PURPOSE

SECTION 1. RULES AND REGULATIONS: To adopt rules and regulations in the best interest of the Association and its members.

SECTION 2. ADMINISTRATION: To own, build, administer and maintain common properties and facilities; to administer and enforce the covenants and restrictions contained in the Declarations of Restrictive Covenants and in these Bylaws; to collect and disburse assessments and charges as permitted by law and under the Articles of Incorporation; to promote the common benefit and enjoyment of property owners of Oak Run.

ARTICLE III
CLASSES OF MEMBERSHIP

SECTION 1. VOTING MEMBERS shall include every person or entity, including the developer, who holds an equitable interest as land contract vendee or fee holder in any lot or lots included within "the properties", as defined in the Restrictive Covenants, provided that any such person or entity who holds such interest merely as security for performance of an obligation shall not be a voting member.

SECTION 2. NONVOTING MEMBERS. If not otherwise a voting member, each of the following shall be entitled to nonvoting membership in the Association:

- (A) The spouse
- (B) Children and/or legal wards of the voting member, who are unmarried under 19 years of age living with parents
- (C) Any dependent children who are full-time students up to and including the age of 23
- (D) A lessee, tenant, or user under written lease for residence of over six months duration. When a property owner leases his house for six or more months, the property owner forfeits his rights to use any of the amenities.

Nonvoting members shall have no vote or right of notice of any regular or special meeting of the members. The privileges and duties of nonvoting members shall be those of voting members except where, by resolution of the Board, privileges need not be the same as those of voting members.

SECTION 3. PRIVILEGES OF VOTING MEMBERS AND NONVOTING MEMBERS. Subject to the powers of the Board (under sections 1 and 2 above) with respect to voting members and nonvoting members, in good standing, both shall be entitled to the use and enjoyment of common properties and facilities and subject to provisions of the Restrictive Covenants and to such other regulations as may be established by the Board Of Directors.

SECTION 4. SUSPENSION OF MEMBERSHIP PRIVILEGES. Membership privileges, including any voting privileges or right to use the common properties, shall be suspended under the following terms and conditions:

A. **AUTOMATIC SUSPENSION:** All owners and users of lots shall be automatically suspended where annual or special assessments (including any fines or penalties assessed under Article V of Restrictive Covenants) assessed against owner or user are delinquent for more than thirty days unless the suspension is stayed by action of the Board due to hardship. Where membership has been suspended for nonpayment of assessments, the membership and voting rights shall be reinstated upon payment of said delinquent assessments, fines and penalties.

B. **BOARD SUSPENSIONS:** Membership may be suspended by action of the Board for infraction of the Restrictive Covenants, for infraction of the Association's Rules and By-Laws, or for misuse of common facilities. Such suspension will be for a period set forth by the Board of Directors.

C. **ASSESSMENT LIENS:** Not paid when due shall become a continuing lien upon the property pursuant to Article V of Restrictive Covenants. The name, address, lot number, cause if suspension, and effective date of suspension, with respect to suspended members, may be publicly posted at the discretion of the Board Of Directors.

ARTICLE IV EVIDENCE OF MEMBERSHIP

SECTION 1. MEMBERSHIP CARDS. Membership cards in the Association shall be issued to voting members and nonvoting members. Such cards shall be in such form as is authorized by the Board. Cards shall indicate the member's lot number. Records shall be maintained at the registered office of the Association of the names of voting members, nonvoting members and users, which records shall also indicate the class and date of membership.

SECTION 2. SELLER/BUYER: When a member ceases to be a property owner, such person's membership and those of nonvoting members and users existing through relationships to such persons, shall cease, but such person shall remain liable for all Association charges incurred prior to the giving of written notice to the Association that such person is no longer a property owner.

SECTION 3. CORPORATION MEMBERSHIPS: Membership cards may be issued to corporate officers of a corporation holding ownership of an Oak Run lot. Four cards will be issued per lot and names of the officers shall be submitted to the POA Office annually, with each officer to pay annual or special assessments. Corporate membership cards are subject to Article III: Section 2 herein.

SECTION 4. LOAN OF A MEMBERSHIP CARD IS PROHIBITED. This practice will result in revocation of the member's card.

ARTICLE V
MEETINGS OF MEMBERS

SECTION 1. PLACE OF MEETING: All meetings of the members of the Association shall be held in the State Of Illinois at such time and place as the Board shall determine.

SECTION 2. ANNUAL MEETINGS: The Annual Meeting of the Association shall be held on the last Saturday of October each year.

SECTION 3. SPECIAL MEETINGS: Special meetings of the Association may be called by the Board of Directors and may also be called by the President and shall be called by the President whenever requested in writing by 100 or more voting members who are in good standing. Such request shall clearly state the purpose for which the special meeting is to be called.

SECTION 4. NOTICE OF ANNUAL/SPECIAL MEETING OF THE ASSOCIATION: No less than ten nor more than thirty days written notice of such meeting shall be given by mail to each member entitled to vote at such meeting. When more than one person owns an interest in a lot, and notice or other communications, required by these Bylaws, is given to one co-owner; it will be conclusively presumed to have been given to all other co-owners.

The notice shall be deemed to be delivered when deposited in the U.S. Mail, first class postage prepaid, addressed to the member's last know address, as recorded by the Association. The notice shall set out, in reasonable detail, the business to be brought before the meeting and each meeting shall be limited to the items set out in the notice in order that those casting absentee ballots may be permitted to express their desires. Members present may make suggestions covering items which they feel should be brought before the membership. If any such suggestions are approved by proper resolution of those members present, it shall be the duty of the secretary to present such resolution to the members for consideration and action at the next regular or special membership meeting.

Further it shall be the duty of the secretary to include with the notice of any annual or special membership meeting such suggestions or requests as may be properly presented in writing and endorsed by one hundred or more members in good standing, providing such requests are received at least sixty days prior to the meeting date.

SECTION 5. QUORUM: The presence of 200 voting members, either in person or by absentee ballot, shall constitute a quorum for the transaction of business, except when the subject of special assessments for capital improvement and change in basis and maximum of annual assessments are considered wherein the quorum and notice requirements shall be as stated in Article V of the Restrictive Covenants. If for any reason a meeting shall not be held on the dated designated, such meeting may be rescheduled, provided, however, that the notice of such rescheduled meeting shall be given not less than ten days nor more than thirty days prior to the date of the rescheduled meeting.

SECTION 6. VOTING: One vote shall be allocated for each lot. When a lot is owned by more than one member, the single vote allocated to such lot shall be cast as all members owning an interest in such lot shall

agree. The Association may conclusively rely on the representation of one co-owner that he or she has the authority to cast the vote without requiring formal proxies from the other co-owners. If any dispute between co-owners as to how their lot's one vote shall be cast is made known to the meeting, no vote shall be counted for such lot. Voting at membership meetings shall be by majority of the votes present as represented by persons or absentee ballots, unless a greater proportion is required by law or by the Restrictive Covenants.

SECTION 7. ORDER OF BUSINESS at the Annual Meeting shall be as follows:

- A. Meeting called to order
- B. Roll call
- C. Final call for ballots
- D. Reading of the minutes of the previous meeting
- E. Reports of the officers
- F. Reports of the committees
- G. Unfinished business
- H. New business
- I. Election of Directors
- J. Robert's Rules of Order shall be followed or the Board may adopt reasonable rules of order for the Annual Meeting.

SECTION 8. BALLOTS: Voting members may cast their votes either in person or by absentee ballot. The form of the absentee ballot shall be determined by the Board of Directors.

SECTION 9. MEMBER IN GOOD STANDING: A voting member must be in good standing in order to participate in membership voting. For these purposes, "good standing" shall be defined as a member who does not owe past due assessments or penalties.

SECTION 10. MEMBERS ENTITLED TO VOTE: It shall be the duty of the secretary to prepare a list of the members entitled to vote at each meeting against which list all members voting, whether by absentee ballot or in person, shall be verified, either by the secretary, or by some individual designated by the Board Of Directors.

ARTICLE VI
PROPERTY OWNER ASSESSMENTS

SECTION 1. ASSESSMENT AUTHORIZATION: Each owner of property shall pay assessments to the Oak Run Property Owners Association, Inc, as required by Article V of Restrictive Covenants.

SECTION 2. ASSESSMENT PURPOSE: Assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the residents of the development and, in particular, for the improvement, maintenance and construction of facilities devoted to the use for all members.

SECTION 3. ASSESSMENTS DUE DATE: Assessments shall be paid in advance and shall be due on the dates specified in Article V, Section 7 of the Restrictive Covenants. No adjustments or prorations of assessments shall be made by the Association. The due date of any special assessments under Article V: Section 4 of the Restrictive Covenants shall be fixed in the resolution authorizing such assessment.

SECTION 4. ASSESSMENT COLLECTION POLICY:

APRIL 1: Assessments unpaid will be declared delinquent and all privileges will be revoked until receipt of assessment and penalties in full.

MAY 1: A late charge will be assessed and a delinquent billing will indicate future course of action by the Association.

OCTOBER 1: A lien will be filed on delinquent properties in the amount of assessment. A lien fee will be charged on each delinquent property.

Liens will be released when all indebtedness including, but not limited to, liens, collections and legal fees have been paid in full.

SECTION 5. ASSESSMENT ROSTER: The Board shall prepare a roster of the users and a roster of the properties and assessments applicable thereto at least thirty days in advance of such due date. Such assessment rosters shall be open for inspection by the respective owners and users. Written notice of the assessments shall be sent to every property owner and user, subject thereto.

SECTION 6. ASSESSMENT LIEN: Unpaid assessments, including the cost of collection thereof, shall become a continuing lien on the owner's or user's property, which shall bind the property in the hands of the then owner, his heirs, devisees, personal representative and assigns in accordance with Article V: Section 9 of the Restrictive Covenants.

SECTION 7. ASSESSMENTS UNPAID: When past due, assessments based upon the number of users shall be a continuing lien upon the property pursuant to Article V: Section 9 of the Restrictive Covenants. When assessments remain unpaid for thirty days after the due date, there shall be added to the delinquent assessment those penalty fees, interest, costs and reasonable attorney's fees, authorized pursuant to Article V: Section 9 of the Restrictive Covenants.

SECTION 8. SUBORDINATION OF LIENS: The lien for delinquent assessments provided for herein shall be subordinated to the lien of any mortgage or mortgages now or hereafter placed upon the properties pursuant to Article V: Section 10 of the Restrictive Covenants.

SECTION 9. EXEMPT PROPERTY: The following property subject to the Restrictive Covenants shall be exempt from assessments, charges and liens created therein:

A. All properties to the extent of any easement or other interest therein dedicated and accepted by a local public authority and devoted to public use.

B. All common properties as defined in Article I: Section D of Bylaws.

C. All properties exempted from taxation by the laws of the State of Illinois upon terms and to the extent of such legal exemption.

D. All properties owned by the developer, its assigns and successors, and held by them or any of them "for the purpose of engaging in the business of sale or resale" of such property including any lots which may have

been reacquired by the developer. Notwithstanding any provision herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE VII
SPECIAL ASSESSMENTS

SECTION 1. ASSESSMENT CONSENT: A special assessment shall be levied only upon recommendation of the Board and with the consent of voting members pursuant to Article V: Section 4 of the Restrictive Covenants.

SECTION 2. SPECIAL ASSESSMENT DUE DATE: The due date of a special assessment shall be fixed in the resolution authorizing each assessment. Special assessments not paid within thirty days after due date shall be collected pursuant Article 5: Section 9 of the Restrictive Covenants.

ARTICLE VIII
ELECTION OF DIRECTORS

SECTION 1. ELECTION OF DIRECTORS: Shall be by written ballot as hereinafter provided. In all elections of Directors, each voting member in good standing is entitled to one vote per lot for each Director's position to be filled in accordance with Article III: Section 2 of the Restrictive Covenants. The persons receiving the largest number of votes shall be elected to fill the number of Board vacancies.

SECTION 2. BOARD CANDIDACY REQUIREMENTS: Between the first and fifteenth day of August each year, any member in good standing may file with the secretary of the Association a statement of candidacy for the election as a Director of the Association for the term beginning immediately following the first Annual Meeting of the Association held after the filing of each statement, together with endorsements of candidacy signed by at least twenty-five voting members in good standing.

The secretary of the Association shall cause notice of each candidacy and a brief biographical statement of each candidate to be included in the notice of such Annual Meeting.

SECTION 3. ELECTIONS TO THE BOARD: Shall be made on written ballot by mail or the ballot shall be executed by the voting member at the Annual Meeting of the Association.

SECTION 4. ELECTORAL BALLOT REQUIREMENTS:

1. Describe the vacancy to be filled.
2. Set forth the names of those persons who are candidates for the office of Director, whose statements and endorsements of candidacy have been filed with the secretary of the Association.

SECTION 5. BALLOT DISTRIBUTION: These written ballots in the form approved by the Board shall be prepared and mailed by the secretary to each person entitled to vote simultaneously with the mailing of the notice of the Annual Meeting of the Association. Ballots and notices shall be sent to a voting member's last known address appearing in the records of the Association.

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SECTION 6. VOTE ENTITLEMENT: One ballot for each lot shall be distributed to those members qualified to vote. Where more than one person owns interest in the same lot, the ballot shall be sent to one of the co-owners, as selected by the secretary.

SECTION 7. VOTING PROCEDURE: After voting, ballots shall be returned in the sealed envelope marked "ballot" but not marked in any other way. Each such "ballot" envelope must contain only one ballot, and each voting member shall be advised that because of the verification procedures, hereinafter set forth, the inclusion of more than one ballot in any one ballot envelope shall disqualify the entire return.

Such "ballot" envelope shall be placed in another sealed envelope which shall bear on its face the name of the member, his lot number, and such other information as the Board may determine will serve to establish his or her right to cast the vote or votes presented in the ballot contained therein.

SECTION 8. ABSENTEE BALLOTS: Absentee ballots shall be returned to the secretary of the Association or a designated official no later than a date established by the Board prior to the Annual Meeting at such address as the Board may from time to time determine.

SECTION 9. VOTER RIGHTS TO PRIVACY: Upon receipt of each mailed ballot, the secretary or designate shall immediately place it in a safe or other locked place until the day fixed by the Board of Directors for the counting of ballots.

ARTICLE IX
ELECTION COMMITTEE

SECTION 1. ELECTION COMMITTEE RESPONSIBILITY: On election day, the external envelopes containing the "ballot" envelope shall be turned over unopened, to an election committee appointed by the president consisting of a chairman, two tellers, two judges, and one alternate: or in lieu of a committee, an independent accounting firm may be retained to serve as the "election committee". Each candidate may appoint a representative to be present during the vote count. No other persons are permitted to be present. The election committee shall count only those properly cast votes.

SECTION 2: The election committee shall adopt a procedure which shall insure that the confidentiality of the personal vote of any member is not disclosed as follows:

1. The outside envelope, which bears on its face the name of the member and his lot number, shall be opened and shall thereupon be placed in a safe or other locked place.
2. The election committee shall then proceed with the opening of the "ballot" envelopes and the counting of the votes. If any "ballot" envelope is found to contain more than one vote, all ballots contained in such envelope shall be disqualified.
3. The election committee shall certify the results of the count at the annual meeting, and the terms of office of the Directors so elected shall commence immediately following such annual meeting.
4. Ties in an election shall be broken by a die tossed to determine a winner (highest number is winner).
5. All outside envelopes, ballots and statements of candidacy shall be retained by the secretary for the period of one year.

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ARTICLE X
BOARD OF DIRECTORS AUTHORITY

SECTION 1. POWERS: The Board of Directors shall have a general power to carry on the affairs of the Association. The Board may adopt reasonable rules of order for the conduct of the meetings of the Board of Directors, and on procedural questions for which no rules have been adopted, the ruling of the President of the Board shall be final. The Board may, at its discretion, by resolution, adopt Robert's Rules of Order as a guide for the conduct of all meetings.

SECTION 2. GENERAL POWER: In order to carry out this general power, the Board shall have authority to undertake the following:

A. **ADOPT CORPORATE SEAL:** As the seal of the Association.

B. **DESIGNATE BANKING INSTITUTION OR INSTITUTIONS:** As depository for the Association's funds in accordance with Article XIV: Section 3 of these Bylaws.

C. **PLEDGE ASSETS:** The authority for which has been granted herein, in the Restrictive Covenants, or by law, including the borrowing of money for Association purposes. A resolution by the Board that the interests of the Association require the borrowing of money shall be sufficient evidence for a proper corporate purpose. The Board may, if it determines that borrowing shall be reasonably necessary, borrow up to thirty percent of the gross annual receipts of the Association. In connection therewith, the Association may assign, pledge, mortgage, or encumber any Association assets or property as security for such borrowings, including future revenues of the Association.

D. **ADOPT RULES AND REGULATIONS:** Relating to the use of common properties and sanctions for noncompliance therewith, as the Board may deem reasonably necessary in the best interest of the Association and its members. Each voting and nonvoting member and user of the Association and others, shall abide by the provisions of these Bylaws as well as any regulation adopted by the Board of Directors of the Association pursuant to these Bylaws. Failure to do so shall justify the Board in suspending such voting, nonvoting member or user as is herein provided.

E. **LEVY OR FEES:** The Board may also establish and levy reasonable fees for review of building plans in accordance with Article VI of the Restrictive Covenants or for the use of the common properties.

F. **EMPLOYMENT AUTHORIZATION:** The Board shall also employ a sufficient number of persons to adequately maintain the common properties. Board of Directors shall have the power to appoint such other officers and agents and to hire such employees as may be necessary for the carrying out of the purposes of the Association.

G. **EMPLOYMENT TERMINATION:** Any officer or agent may be removed and replaced at any time by the Board of Directors.

H. **ADOPT BUDGET:** The Board shall adopt an annual operating budget in accordance with Article XIV: Section 2 hereof, and levy the annual assessment per Article V of the Restrictive Covenants for each lot for the following year. Upon adoption and approval of the budget, the Board shall be bound by the same. No expenditure in excess of the budget shall be made unless it is authorized by the Board of Directors.

I. DEFENSE AUTHORIZATION: The Association will provide legal defense on behalf of any officer, director or employee who becomes subject to law suit, other litigation or internal revenue investigation when such suit or investigation arises from service as an officer, director or employee of the Association. The Association will provide officer's liability insurance for members of the Board of Directors.

The Association will provide a legal defense for and will indemnify any officers, directors, committee chairmen or volunteers acting in good faith within the scope of their duties on behalf of the Association from any liability for either defense costs, attorneys fees, or monetary damages arising from any lawsuits or threat of litigation in connection with those duties.

To the extent practical, the Association will provide liability insurance to protect committee members and volunteers who work on behalf of the Association from liability or claims of liability for such claims.

J. APPOINT COMMITTEES: The Board of Directors may, by resolution, appoint committees of the Association. Such committees may be temporary or permanent. They shall have such powers and responsibilities as the Board may elect.

SECTION 3. NUMBER OF DIRECTORS. The number of Directors shall be seven, each of whom must be a member of the Association. Each Director shall be elected to serve for a term of three years. No Director shall receive a salary for services performed as a Director of the Association. With Board approval, Directors and Officers may be compensated for reasonable expenses incurred while so acting.

ARTICLE XI
BOARD REGULATION, MEETINGS & CONDUCT

SECTION 1. MEETINGS OF THE BOARD OF DIRECTORS: The Board shall meet at least quarterly. Special meetings of the Board may be called by the President or by a majority of the Board and shall be held at such place as the call or notice of the meeting shall designate. Notice of a special meeting must be given in writing at least forty-eight hours prior to the date of said special meeting, or notice thereof may be waived by the Directors in writing. After adoption of a resolution setting for the times of regular meetings, no notice of such meetings shall be required, or waived, but notice of special meetings of the Board shall be given unless waived in writing.

SECTION 2. QUORUM: A majority of the Directors shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any duly called meeting shall be deemed to be the act of the Board

SECTION 3. BOARD MEETING ATTENDANCE: It is mandatory, in order to maintain the status of Director, that all regularly scheduled Board meetings are attended by each elected Director, either voting or nonvoting. Any member absent, except by an act of God, from three or more regularly scheduled Board meetings from November 1st through October 31st of each year he serves as Director, shall be mandatorily removed by these guidelines. A Board member shall be considered absent if not present when the roll is called.

SECTION 4. ACTION WITHOUT MEETING: Unless prohibited by law, where Director action is required before a meeting can be conveniently called, any action which may be taken at a meeting of the Board may be taken without a meeting if the action is consented to in writing by all of the Directors entitled to vote on action at a meeting of the Directors.

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SECTION 5: CONDUCT OF BOARD MEETING OF ORPOA: The following policies and procedures will be followed:

1. **AGENDA:**

The President or presiding officer will cause a written agenda to be sent to each Board member, the Secretary and the Manager of the Association at least 3 days prior to each regular board meeting. Any board member wishing a matter placed on the written agenda shall so notify the President or presiding officer one week in advance of the meeting and such matters shall then be placed on the written agenda. Non-board members or others may request that matters be placed on the agenda -- but whether such requests are placed on the agenda shall be at the sole discretion of the President or presiding officer.

Any Board member may, by oral motion, raise matters not on the written agenda at appropriate times during the board meeting. The President or presiding officer shall determine in his or her sole discretion whether and the extent to which non-board members may raise matters not on the written agenda during board meetings.

The agenda shall generally conform to the following format-- subject to such variations as the President or presiding officer may in his discretion approve:

- . Review and Approval of Prior Minutes
- . Members Forum -- (a period during which any association members or others, at the discretion of the President or presiding officer, may bring matters to the attention of the Board, subject to such time limitations as the President or presiding officer may impose.)
- . Manager's Report
- . Committee Reports (from standing or special committees)
- . Old Business (matters previously discussed)
- . New Business (matters raised for the first time)
- . Guest Speakers (as may be recognized by the chair)
- . Adjournment

The written agenda shall identify matters coming before the Board under the appropriate sub-headings.

2. **RULES GOVERNING MEETINGS:**

The Members Forum is a time when any member of the Association can bring concerns or information to the attention of the Board of Directors. It is not necessary to reserve time in advance for the Members Forum. The President or presiding officer may, at his or her discretion, determine the number of members seeking recognition during the Members Forum and impose reasonable time limits on each in order to permit an orderly progression of the meeting. The Members Forum is discretionary with the Board and may be limited, conditioned, or deleted entirely upon appropriate motion passed by a two-thirds majority of board members

present. Association members are also encouraged to submit any concerns or information in writing to the Association officer or to board members directly in advance of regularly scheduled board meetings. This will permit board members to place appropriate items on the formal written agenda and will also enable members to more fully inform themselves about issues before they are raised orally at the Members Forum.

The meetings of the Board of Directors of the Oak Run P.O.A. shall generally follow Roberts Rules of Order. The ruling of the President or presiding officer on any point of order shall be final unless overturned by a majority vote of the Board after appropriate motion and second. Only Board members may make motions or seconds at board meetings. Participation and discussion by association members shall be at the discretion of and subject to limitations imposed by the President or presiding officer. Failure to follow parliamentary procedure shall not invalidate any otherwise proper action taken by the Board.

The Board may go into executive session upon appropriate motion for any proper purpose. In accordance with the Bylaws, minutes will be kept of any formal action take in executive session. The Board or its members may meet informally among themselves, with legal counsel, with management or with members to discuss Oak Run business -- but no formal action shall be taken at such informal meetings. The Board retains the right to call special meetings as provided in the Bylaws.

3. RECORDS OF MEETINGS:

The minutes of the Secretary shall be prepared in accordance with Roberts Rules of Order and shall reflect the actions taken by the Board. Once approved, the minutes shall be the sole official record of each board meeting. Proposed minutes of the prior regular meeting shall be approved at the next regular board meeting. Minutes of executive session of the Board shall be kept separately and shall remain confidential except as provided in the Bylaws. Minutes of special board meetings shall be approved at the next regularly scheduled board meeting. The Secretary shall avoid placing in the minutes any personal editorial comment or the opinions or comments of any board members, officers or participants in the meeting. The Board may, in its discretion, permit a summary of action taken at each board meeting to be published in the Communicator. Such summaries of board action shall be limited to the actions taken by the Board and shall not contain editorial comments or personal opinions of board members, officers or employees of Oak Run, or participants at the meeting.

No tape recordings, video recordings, electronic recordings of any type, and stenographic or court reporter records shall be permitted at board meetings. The Board believes that the use of such devices and/or persons is to easily utilized to intimidate meeting participants, is subject to subjective editing and quotation out of context, and is otherwise detrimental to the free exchange of ideas and opinions necessary for the Board to function effectively on behalf of the membership. The President or presiding officer shall, without the need for formal motion or vote, enforce this provision at all meetings at the Board of Directors.

4. AMENDMENT OR MODIFICATION:

The foregoing policies and procedures may be modified or amended, in whole or in part, by a majority vote of the Board of Directors. The foregoing Resolution has been adopted by the authority granted to the Board of Directors in the Illinois Not For Profit Corporation Act and pursuant to the By-Laws of Oak Run, Article X, Section 1.

SECTION 6. EXECUTIVE SESSIONS: Executive sessions may be called only for the following purposes:

- A. To discuss matters between the employer and employees.
- B. To discuss salary schedules for one or more classes of employees. The results may be voted upon in executive session, however, the results of the voting shall be revealed in open session.
- C. To discuss appointment, employment or dismissal of an employee or an officer.
- D. To hear testimony on complaint lodged against an employee or officer to determine validity.
- E. To consider the appointment of a member to fill a vacancy.
- F. To discuss the possible acquisition of real property or where the selling price of real estate is being considered. Final action may not be taken in the executive session.
- G. To discuss the possible sale or purchase of investments or securities.
- H. To discuss litigation when an action against, affecting or on behalf of the Association has been filed and is pending in a court or administrative tribunal or when the Association finds that such an action is probable or imminent in which case the basis for such finding shall be recorded and entered into the minutes of the executive session.
- I. To discuss contractor's bids where it would be improper to discuss them in an open session. Acceptance or rejection of a contractor's bid shall always be done at an open session.

Even though a vote may be taken during the executive session, the vote count and result shall be revealed in open session.

Minutes shall be taken at all executive sessions and reviewed every six months to determine whether certain portions of the meetings are no longer "confidential" and can be revealed in an open session.

SECTION 7. AVAILABILITY TO GENERAL MEMBERSHIP: A Board member shall make himself available, within reason, for public comment or discussion with any member of the Association and shall conduct himself in a manner befitting that of an Association Director while on business for the Association.

SECTION 8. SUBJECTIVE ACTION: A Board member shall bring all questions and/or proposals before the Board of Directors at any regular or special meeting of the Board and shall not assume the responsibility or authority of acting solely for the Association without first obtaining prior approval of the Board.

SECTION 9. CONFLICT OF INTEREST: No individual may serve as a duly elected or appointed member of the Board of Directors when a member of their immediate family is, or subsequently becomes, employed by the Association. Immediate family, for this purpose, shall be defined as husband, wife, mother, father, son, daughter, legal ward. Directors shall abstain from voting on issues where they have an economic interest.

SECTION 10. VACANCIES: All directors shall serve until their successors are elected. Any vacancies occurring on the Board created by the death, resignation or mandatory removal of a Director, as outlined in

Article XI: Section 3 of these Bylaws, shall be filled by the Board when there are three months or more remaining in the term.

SECTION 11. REMOVAL OF DIRECTORS: A Director may be removed by three-fourths vote of the remaining Board members for "just cause". Just cause shall include self-dealing, conflict of interest, or negligence in performing the responsibilities of Director. If a motion to remove a Director is made at a Board meeting, the motion shall not be acted upon until the next Board meeting. Notice of the motion shall be mailed to the Director whose removal is sought no less than twenty-one days prior to the meeting when the motion is to be considered and acted upon.

SECTION 12. NOTICE TO REMOVED BOARD MEMBER: Shall be considered complete by placing the same in the U.S. mail, under certification, within ten days from the date at which time said member's Board position was discharged.

SECTION 13. BOARD REPLACEMENT OF DIRECTOR: In the event that a Director is mandatorily removed or resigns from the Board, the nomination of a replacement to serve the remainder of the term shall be made by the President, subject to approval by the Board of Directors at its next regularly scheduled meeting, with vote to be by secret ballot.

ARTICLE XII OFFICERS - DUTIES OF

The officers of the Association shall be President, who shall be a member of the Board, one or more Vice-Presidents, the Secretary, the Treasurer, and such other officers and assistant officers as the Board may from time to time elect. Officers shall serve at the pleasure of the Board. Any two offices may be held by the same Director, except the offices of President and Secretary. An officer or Board member may not serve on a committee or as a committee chairman.

A. **PRESIDENT:** The President shall be the executive officer of the Association, and shall preside over all meetings of the Association and the Board of Directors. The President shall be an ex-officio member of all committees except the nominating committee. The President shall conduct the affairs of the Association in accordance with these bylaws and those policies approved by the Board of Directors.

The President shall be responsible for the preparation of a full and true report as to the activities of the Association during the year of his presidency which report shall be submitted at the Annual Meeting, and he shall file the report with the secretary who shall make it available for inspection by the membership.

B. **VICE PRESIDENT:** In the absence of the President, or in the event of the President's inability or his refusal to act where such action is lawfully required by these Bylaws or otherwise, the Vice President, or if more than one, the most senior Vice President in terms of length of service is empowered to act and shall thereupon be vested with the powers and duties of the President with respect to the action taken. The Vice President shall also perform such other duties as the President may assign.

C. **SECRETARY:** The Secretary of the Association shall keep the minutes of the business and other matters transacted at the meetings of the members and of the Board. The Secretary shall mail, or cause to be mailed, all notices required under these Bylaws. The Secretary shall have the custody of the corporate seal and records and maintain a list of the members and their addresses and perform all other duties incidental to the office of Secretary. The Secretary may appoint a recording and correspondence assistant.

D. **TREASURER:** The Treasurer shall have custody of the funds of the Association, collect monies due, pay the obligations of the Association out of its fund and perform such other duties as are incidental to the office of Treasurer. All checks shall be signed by the Treasurer and countersigned by the Association Manager or an Assistant Treasurer. The Treasurer, and such other officers as may be designated by the Board of Directors, shall be bonded in an amount to be determined by the Board. Indemnity bond premiums shall be paid by the Association.

ARTICLE XIII
COMMITTEE APPOINTMENTS

SECTION 1. COMMITTEE APPOINTMENTS: The Board may establish such committees of the members as the Board deems necessary to carry on the affairs of the Association, and it shall define the powers and duties thereof. Committee members may be selected and appointed by the President and shall hold office at the pleasure of the Board of Directors. Special ad hoc committees shall be appointed by the President.

The Board shall establish the following standing committees, the members of which may be appointed by the President.

A. An Architectural Control Committee to assume the functions and responsibilities detailed in Article VI of the Restrictive Covenants.

B. Long Range Planning Committee.

The Board may establish the following standing committees, members of which may be appointed by the President:

- A. Community Relations and Publicity Committee
- B. Clubhouse , Pool and Beach Committee
- C. Rules and Bylaws Committee
- D. Safety Committee
- E. Social Activities Committee
- F. Sports/Fish Committee
- G. Golf Course Committee
- H. Tree/Conservation Committee
- I. Scenic Drive Committee

SPECIAL AD HOC COMMITTEES

SECTION 1. NOMINATING COMMITTEE: A Nominating Committee, shall be appointed prior to annual election of Directors, when the following circumstances prevail:

A. The total number of qualified candidates does not equal the number of Board seat vacancies. In the event this should occur, the total number of candidates so nominated shall be no more than that required to establish a qualified candidate list totaling one more than the number of vacancies that exist.

B. The Nominating Committee shall recommend from among all members, those members who, in the committee's judgment, shall best serve the Association. The committee may also be requested to assist the Board, as the latter may direct, in the conduct of Association elections including dissemination of information regarding candidates for Director (whether proposed by the Committee or otherwise nominated as provided herein); preparation of ballots and other related matters.

SECTION 2. ELECTION COMMITTEE: As appointed by the President, duties of which are outlined in Article IX of these Bylaws.

ARTICLE XIV
FINANCE

SECTION 1. CORPORATION FISCAL YEAR: The fiscal year of the Association shall begin on the first day of January each year, unless changed by resolution of the Board of Directors.

SECTION 2. BUDGET: No later than the 31st day of December, a budget of estimated income and expenditure for the next fiscal year shall be adopted by the Board. This budget shall be available for inspection by the members at the office of the Association. A summary of the approved budget shall be included in the notice of the next regular meeting of the Association.

SECTION 3. DEPOSITORIES: The Board of Directors shall determine official depository or depositories.

SECTION 4. DISBURSEMENT OF FUNDS: After acceptance of responsibility by the Association for administration of the assessment funds, the treasurer shall be authorized to issue checks for the expenditures incurred for the Association, provided the amount of such checks issued does not exceed in the fiscal year the amount budgeted.

All checks shall be signed by the Treasurer and/or another officer and the Association Manager. The Treasurer and/or another officer and the Association Manager shall be bonded in an amount determined by the Board. Indemnity bond premiums shall be paid by the Association.

SECTION 5. FINANCIAL REPORTS: An accounting of all of the Association's receipts and disbursements for the previous fiscal year shall be prepared each year before the Annual Meeting, and at such meeting the accountings shall be made available to the membership. Financial reports shall be prepared using generally accepted accounting principles so as to present fairly the Association's income and expenses as of the closing date of the prior fiscal year.

ARTICLE XV
GENERAL PROVISIONS

SECTION 1. ASSOCIATION ASSETS: No part of the net earnings of the Association shall inure to the benefit of or be distributed to its members, directors, officers or other private persons, except that the Association shall be empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof.

SECTION 2. DISSOLUTION OF ASSOCIATION: On dissolution of the Association, no member shall be entitled to any distribution of the Association property or asset. Should two-thirds of the members desiring to vote on the question, (subject to the quorum required of Article V: Section 5) consent to dissolution, then the Association's property and assets, after satisfaction of all outstanding liens and encumbrances thereon and of all debt and claims against the Association, shall be conveyed either to an institution qualifying for exemption under Section 501(C)(3) of the Internal Revenue Code as amended, or to any unit of state or local government, selected by the Board of Directors.



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